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Department of State **TELEGRAM**

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ACTION EA-10

INFO OCT-01 ISO-00 EB-07 OPIC-03 /021 W
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R 060602Z FEB 75
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 8237
INFO USDOC WASHDC

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STATE PASS OPIC; USDOC FOR MAJOR PROJECTS

E.O. 11652: N/A

TAGS: ETRD, EINV, KS
SUBJECT: OPIC INSURANCE - DOW CHEMICAL INVESTMENT

1. EMBASSY HAS BEEN APPROACHED BY LOCAL REP OF DOW CHEMICAL CONCERNING OPIC INSURANCE FOR DOW'S RECENTLY APPROVED INVESTMENT IN FOUR DOWNSTREAM PLANTS IN NEW YOSU PETROCHEMICAL COMPLEX.

2. ACCORDING TO LOCAL REP DOW PERSONNEL IN WASHINGTON HAVE RECEIVED "NEGATIVE RESPONSE" TO INQUIRIES CONCERNING INSURANCE FOR DOW'S PLANNED INVESTMENT, AND REPORT REASON GIVEN WAS THAT OPIC WAS OVEREXPOSED IN KOREA.

3. DOW OFFICIALS HERE STATE, "DOW WILL NOT INVEST WITHOUT OPIC INSURANCE."

4. DOW INVESTMENT IS IN AREA OF HEAVY AND CHEMICAL INDUSTRY, A HIGH PRIORITY FOR ROK, AND ALSO COMES AT A TIME WHEN ROK IS ENDEAVORING TO MAXIMIZE FOREIGN CAPITAL FLOWS, ROK OFFICIALS HAVE EXPRESSED CONCERN OVER POSSIBLE LOSS OF ALREADY APPROVED INVESTMENT.

5. NAM, DUCK WOO, ROK DEPUTY PRIME MINISTER, WILL LEAVE FOR U.S. FEBRUARY 12. ROK EMBASSY WILL ASK FOR APPOINTMENT WITH PRESIDENT MAYS OF OPIC TO DISCUSS INSURANCE PROGRAM IN

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REVIEWED BY HSF DATE 5/21/82
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TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
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GENERAL AND DOW INVESTMENT SPECIFICALLY.

6. EMBASSY WOULD APPRECIATE CLARIFICATION OF OPIC POSITION ON KOREA.

SNEIDER